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Central Intelligence Agency



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## DIRECTORATE OF INTELLIGENCE

## The Status of Belgian-Libyan Nuclear Cooperation Talks

13 May 1985

Summary

Belgonucleaire, a Belgian nuclear supplier, and Libya continue to express interest in an agreement for the company to supervise construction of two 440-megawatt nuclear reactors. Negotiations between the two parties are continuing despite the Belgian government's refusal to give the necessary approval for a deal. Many Belgian officials disagree with US policy and look to the nuclear industry as a prime source of trade revenue for their depressed economy. While Belgonucleaire will continue to push for government approval, we believe the center-right government of Prime Minister Martens will continue to view the economic benefits of the deal as outweighed by the costs -- strained Belgian-Western relations and the potential misuse of the nuclear reactors by the Libyans. Nuclear export policy could be one of the issues discussed in coalition bargaining after the election set for December, but we believe that any new government will be mindful of the same problems and will allow the deal to die.

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This memorandum was requested by Ronald S. Lauder, Deputy Assistant Secretary, Department of Defense, and was prepared by [redacted] EURA/WE/BBC.  
 Please refer any questions to [redacted] C/EURA/WE [redacted]

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Recent Talks

On 29 April, a reliable source of the US Embassy in Brussels reported that Belgonucleaire, a partially government-controlled nuclear supplier, has not abandoned attempts to increase the scope of its nuclear cooperation with Libya. The source claimed that "recently" held discussions in Tripoli centered on a Belgonucleaire role in supervising construction of two 440-megawatt (MW) nuclear reactors. [REDACTED]

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[REDACTED] Last May, both parties discussed a protocol for nuclear cooperation that would have provided for a Belgonucleaire advisory role in the construction by Soviet technicians of two 440-MW nuclear power reactors and for a joint Belgian-Libyan research and development program. The protocol has been on hold awaiting approval of the Belgian government, which has been under pressure from the United States and West European countries not to approve the deal. Some Belgian officials have told the US Embassy that they think the deal will be allowed to die. [REDACTED]

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[REDACTED]

The Embassy's source said he suspected the French were waiting to jump in if Belgonucleaire cannot get government approval for the deal, and other officials consider a certain West German firm as another likely competitor. We note this had been a Belgian justification of long standing for proceeding with the deal, but we doubt that the French or the West Germans are interested in dealing with Tripoli. Paris in the past has consistently refused to approve the sale of a French reactor to Tripoli, and the present state of tense relations over Chad is unlikely to make Paris amenable now. [REDACTED]

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[REDACTED]

Pressures on the Government

The diplomatic source emphasized that Belgonucleaire would need government approval for the deal. He observed that there is considerable domestic pressure on Brussels to approve the lucrative deal. Brussels is proud of its nuclear industry and anxious to promote high technology ventures. Belgonucleaire estimates the deal to be worth at least \$500 million for the Belgian nuclear industry and substantial tax revenues for the government. Moreover, Belgonucleaire is located in an economically depressed area of the country, making it difficult for the government to justify turning down new business that could help alleviate local problems -- including high unemployment. [REDACTED]

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The Belgians, however, have demonstrated some concern for Qadhafi's long-term nuclear ambitions, and we continue to believe that the center-right coalition government of Prime Minister Martens is unlikely to risk confrontation with the US by authorizing an agreement before the election, which must take place by December. Following the elections, however, bargaining between the political parties for a government program could include the general question of Belgian nuclear dealings. Some Socialists may even try to tie US concessions on Belgonucleaire to acceptance of INF deployment. Nevertheless, should a new government be formed including the Socialists, it would be subject to the same constraints -- Western pressures, and their own reservations -- and probably would not approve the deal. This is not to say that some officials with political interests in Wallonia -- the economically depressed region in which Belgonucleaire is located -- will abandon efforts to get around US objections and keep the deal alive.

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[REDACTED]

A Belgonucleaire official has told the Embassy that Belgonucleaire is considering sending a delegation to the United States to attempt to explain its activities. They apparently believe that Martens and Foreign Minister Tindemans did not spell out their position properly when they visited Washington in January and that by clarifying their safeguard procedures, they can persuade US officials to drop their objections. [REDACTED]

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